

California-American Water Company
Monterey Division
Adopted Quantities

Net-to-Gross Multiplier	1.74356
Uncollectibles	0.15%
Franchise Tax Rates	0.00%
State Income Tax Rate	7.56%
Federal Income Tax Rate	35.00%

1. Water Production (Kccf)	<u>2003</u>	<u>2004</u>
Residential	2,863.5	2,863.7
PAR Customers	22.7	22.7
Multi-Residential	659.8	659.8
Commercial	1,437.9	1,442.0
Industrial	40.4	40.4
Public Authority	516.8	516.8
Golf Course	90.4	90.4
Viscaino Reclamation Tank	146.7	146.7
Construction	8.7	8.7
Sale for Resale	3.3	3.3
Other	-	-
Ambler	138.4	138.4
Bishop	75.8	79.7
Hidden Hills	77.5	77.5
Ryan Ranch	26.6	26.6
Total Annual Consumption	6,108.5	6,116.7
Unaccounted For Water (7.43%)	578.9	579.7
Other (Used in Operations)	1.0	1.0
Total Water Produced	<u>6,688.4</u>	<u>6,697.4</u>
Carmel Valley Filter Plant	152.5	152.5
Seaside Wells	1,742.4	1,742.4
Lower Carmel Vily & Begonia	4,445.0	4,449.5
Hidden Hills, Ryan Ranch, Ambler, Bishop	348.6	353.1
Total Water Production	<u>6,688.4</u>	<u>6,697.4</u>

2. Water Consumption (Ccf/Cust.)	<u>2003</u>	<u>2004</u>
Residential	90.9	90.9
PAR Customers	60.5	60.5
Multi-Residential	473.0	473.0
Commercial	446.4	446.3
Industrial	6,731.7	6,731.7
Public Authority	1,072.2	1,072.2
Golf Course	11,296.4	11,296.4
Viscaino Reclamation Tank	146,670.0	146,670.0
Construction	332.8	332.8
Sale for Resale	1,652.0	1,652.0
Other	0.0	0.0
Ambler	360.5	350.6
Bishop	244.3	244.3
Hidden Hills	196.8	196.8
Ryan Ranch	204.7	204.7

3. Purchased Power	<u>2003</u>	<u>2004</u>
Pacific Gas & Electric effective as of 4/15/2002		
Production	6,688,397	6,697,422
Total Costs	\$ 2,533,238	\$ 2,538,286
Total KWH	15,132,022	15,146,968
Kwh/Ccf	2.2624	2.2616
\$/KWH	\$ 0.16741	\$ 0.16758

4. Chemicals (\$000)	\$ 355	\$ 363
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**California-American Water Company
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Adopted Average Services**

		<u>2003</u>	<u>2004</u>
Average Services by Meter Size			
5/8 x 3/4		32,091	32,119
3/4		277	277
1		4,163	4,163
1 1/2		752	752
2		760	760
3		79	79
4		65	65
6		17	17
8		11	11
Total Metered Services		<u>38,215</u>	<u>38,243</u>
Private Fire Services			
	< 4"	321	321
	6	200	200
	8	81	81
	10	1	1
	Hydrants	<u>207</u>	<u>207</u>
Total Fire Services		<u>810</u>	<u>810</u>
Total Average Customers		<u>39,025</u>	<u>39,053</u>

California-American Water Company
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Adopted Income Tax Calculation
(Dollars in Thousands)

	<u>2003</u>	<u>2004</u>
Operating Revenues	\$ 27,655.3	28526.8
Revenues from Contributions	\$ 22.9	\$ 23.1
Deductions:		
O & M expenses	4,500.6	4,576.4
A & G Expenses	2,302.2	2,349.9
G. O. Prorated Expenses	3,727.1	3,764.4
Payroll	3,749.9	3,768.3
Taxes not on Inc.	1,119.3	1,182.4
Interest	3,075.2	3,272.1
Book Depreciation	3,428.8	3,635.5
Income before taxes	<u>\$ 5,775.0</u>	<u>\$ 6,000.8</u>
<u>California Corp. Franchise Tax</u>		
State Tax Depreciation	0.0	0.0
Taxable Income for CCFT	5,775.0	6,000.8
CCFT Rate	7.56%	7.56%
CCFT	436.6	453.7
Less Deferred Taxes	(3.8)	(3.8)
Total State Income Taxes	<u>\$ 432.8</u>	<u>\$ 449.9</u>
<u>Federal Income Tax</u>		
Federal Tax Deductions	(260.2)	(432.8)
Taxable income for FIT	5,514.8	5,568.0
FIT Rate	35.00%	35.00%
FIT	1,930.2	1,948.8
Less:		
Investment Tax Credit	(44.7)	(44.7)
Amortization of Reg. Assets	(16.6)	(16.6)
Deferred Taxes - U.P.A.A.	(5.2)	(5.2)
Amort of Excess Deferred Taxes	(15.4)	(15.4)
Total Federal Income Tax	<u>\$ 1,848.3</u>	<u>\$ 1,866.9</u>
Total FIT and CCFT	<u><u>\$ 2,281.1</u></u>	<u><u>\$ 2,316.8</u></u>

**California-American Water Company
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Adopted Rate Base**

	<u>2003</u> (\$000)	<u>2004</u> (\$000)
WTD AVG PLANT IN SERVICE	131,337.5	139,115.0
MATERIALS & SUPPLIES	208.1	210.8
WORKING CASH, OPERATIONAL	2,060.2	2,190.4
WORKING CASH, LEAD-LAG	402.6	411.6
WTD AVG DEPR RESERVE	(41,648.6)	(44,947.1)
ADVANCES	(146.3)	(129.9)
CONTRIBUTIONS	(8,973.0)	(8,895.6)
ACCUM. DEFERRED FIT	(6,859.5)	(6,731.0)
ACCUM. DEFERRED SIT	(532.8)	(494.7)
GENERAL OFFICE ALLOC.	0.0	0.0
ACRS & MACRS DEPRECIATION	0.0	0.0
UNAMORTIZED ITC	0.0	0.0
TAXES ON - ADVANCES	0.0	0.0
TAXES ON - CIAC	0.0	0.0
AVERAGE RATE BASE	75,848.2	80,729.4